

Message Text

LIMITED OFFICIAL USE

PAGE 01 MOSCOW 05046 021310Z

64

ACTION EUR-12

INFO OCT-01 ARA-06 ISO-00 OMB-01 AID-05 EB-07 BIB-01

CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03 NSAE-00 NSC-05

PA-01 PRS-01 SP-02 SS-15 USIA-06 SAJ-01 ACDA-07 INT-05

TRSE-00 COME-00 SIL-01 LAB-04 /097 W

----- 027201

R 021138Z APR 76

FM AMEMBASSY MOSCOW

TO SECSTATE WASHDC 2005

INFO AMEMBASSY BRASILIA

AMCONSUL LENINGRAD

LIMITED OFFICIAL USE MOSCOW 5046

E.O. 11652: N/A

TAGS: ENRG, EGEN, PFOR, UR, BR

SUBJECT: SOVIET-BRAZIL COOPERATION ON CAPIVARI HYDOR-ELECTRIC STATION

REF: A) BRASILIA 2431, B) MOSCOW 4631

1. SUMMARY. PRAVDA MARCH 31 CARRIES ARTICLE ON SOVIET DELIVERY OF 15,000 TONS EQUIPMENT AND WORK OF TECHNICIANS AT CAPIVARI GES (HYDROELECTRIC STATION) SITE OF BRAZIL'S PARANAPANEMA RIVER. ITEM DESCRIBES LIVING CONDITIONS OF SOVIET ENGINEERS AND 7,000 LOCAL WORKERS, QUOTES SEVERAL BRAZILIAN PROJECT OFFICIALS ON "SIMPLY INVALIDABLE FACTOR" PROVIDED BY SOVIETS, AND CLAIMS CAPIVARI PROVIDING PROTOTYPE FOR LARGE ITAIPU PROJECT. SYMBOLIC PERHAPS OF SOVIET PARALLEL "CLASS-STATE" RELATIONS APPROACH (SEE REFTEL B), PRAVDA WRITER LAUDS EXPANDING ECONOMIC COOPERATION OF "MUTUAL BENEFIT" (INCLUDING 1975 52 MILLION DOLS. CONTRACT FOR SOVIET EQUIPMENT ON SOBRADINU GES), WHILE TAKING CAPIVARI "EMPLOYERS" TO TASK FOR DISCHARGING MANY WORKERS AT END OF ONE YEAR, SINCE IT "CHEAPER TO TAKE ON NEW WORKERS" THAN PAY ADDITIONAL BENEFITS TO LONG-TERM EMPLOYEES. PRESUMABLY BRAZILIAN GOVERNMENT MAINTAINS CLOSE SCRUTINY OF ACTIVITIES OF SOVIET "ENGINEERS" TO

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MOSCOW 05046 021310Z

PRECLUDE EXCESSIVE DEVELOPMENT OF "CLASS TIES." END SUMMARY.

2. PRAVDA REPORT BY I. GORANSKIY, "GES UNDER CONSTRUCTIONS", CARRIES RIO DE JANEIRO-MOSCOW DATELINES, AND DESCRIBES WRITER'S VISIT TO CONSTRUCTION SITE OF CAPIVARI HYDROELECTRIC STATION ON PRAANAPANEMA RIVER. ACCORDING ARTICLE SOVIETS ARE COMPLETING DELIVERY OF ABOUT 15,000 TONS EQUIPMENT (INCLUDING FOUR 160,000 KW TURBINES, AND FOUR LARGE GENERATORS) ON SCHEDULE. CONSTRUCTION CHIEF ANTONIO VIJERA NETTO QUOTED TO EFFECT TIMELY DELIVERY OF ALL EQUIPMENT INSURES START-UP OF FIRST AGGREGATE IN MAY 1976. GORANSKIY TWO-DAY COMBINED AIR-AUTO TRIP FROM RIO REQUIRED "OVER ONE MONTH" FOR LARGE TRUCKS HAULING SOVIET EQUIPMENT.

3. CAPIVARI HOUSING AREA IS DESCRIBED AS SMALL VILLAGE WITH ONE-STORY "COTTAGES" FOR FAMILIES OF ENGINEERS, ASPHALT SIDEWALKS, NEWLY PLANTED TREES. OTHER AMENITIES INCLUDE "TINY" HOTEL WITH RESTAURANT WHICH CATERS "AT HOME" MEALS WITH SOCCER STADIUM. IN WORDS OF ENGINEER MARION TAVARES ENGINEERS AND TECHNICAL WORKERS ARE ESSENTIAL FOR CONSTRUCTION AND COSTS OF HOUSING, ETC. ARE "REPAID SEVERAL TIMES" IN FORM OF INCREASED EFFICIENCY. ARTICLE CLAIMS "SEVERAL" SOVIET FAMILIES ARE AT CAPIVARI, THE "FIRST" HYDROELECTRIC PROJECT IN LATIN AMERICA USING SOVIET EQUIPMENT. SOVIET PERSONNEL QUICKLY LEARNED A "COMMON LANGUAGE" WITH BRAZILIAN WORKERS AND WITH THEIR EXPERIENCE ON LARGE HYDRO-ELECTRIC STATIONS OF VOLGA AND SIBERIAN RIVERS PROVIDE A "SIMPLY INVALUABLE FACTOR," ACCORDING INSTALLATION CHIEF WALTER DIAZ. IN OPINION OF BRAZILIAN ENGINEERS CAPIVARI IS "PROTOTYPE" FOR LARGER ITAIPU STATION, WITH CONSTRUCTION METHODS "PROVEN" AT CAPIVARI THEN BEING USED IN LARGER SCALE AT OTHER SITE.

4. GORANSKIY WRITES THAT BRAZILIANS USE "UNUSUAL FOR US (SOVIETS)" METHODS TO RECRUIT APPROXIMATELY 7,000 LOCAL WORKERS. SINCE MAJORITY ARE ILLITERATE, SPECIAL "TESTS" OF "SHARPNESS OF WIT" ARE USED IN LIEU WRITTEN EXAMS. IF CANDIDATES SUCCESSFULLY DEMONSTRATE INDIVIDUAL ABILITY MASTER CONSTRUCTION WORK, THEY ARE HIRED. HOWEVER, IF AT END ONE YEAR THEY HAVE NOT "MASTERED SPECIALTIES" THEY ARE DISCHARGED. ALTHOUGH SCALE OF WORKER TURNOVER NOT STATED, GORANSKIY HINTS THAT DISCHARGES ARE FREQUENT SINCE "EMPLOYERS DON'T WISH TO KEEP WORKERS BEYOND ONE YEAR BECAUSE THIS QUALIFIED THEM FOR 13TH MONTH WAGES, SICK PAY, LENGTH-OF-SERVICE BONUS AND OTHER ALLOWANCES."

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MOSCOW 05046 021310Z

WITH HEAVY UNEMPLOYMENT IN BRAZIL AND MANY WORKERS IN CAPIVARI AREA WILLING DO ANY TYPE WORK, IT IS "CHEAPER TO TAKE ON NEW WORKERS."

5. WITH CAPIVARA, FIRST "JOINT SOVIET-BRAZILIAN PROJECT", WELL ON WAY TO COMPLETION, GORANSKIY WRITES THAT CONTINUING COOPERATION ALREADY ASSURED. INCLUDED WILL BE EXECUTION OF 52 MILLION DOLS. AGREEMENT SIGNED LAST YEAR IN MOSCOW FOR DELIVERY OF FIVE SOVIET HYDR O-

ELECTRIC "AGGREGATES" FOR SOBRADINU STATION IN NORTHEAST BRAZIL. CAPACITY OF THIS PROJECT WILL BE "SOMEWHAT GREATER" THAN CAPIVARI. ACCORDING PRAVDA, CAPIVARI NOT ONLY "BEARS WITNESS TO MUTUAL ECONOMIC BENEFIT" BUT WILL MAKE POSSIBLE "FURTHER DEVELOPMENT OF OTHER TIES" BETWEEN BRAZIL AND THE SOVIET UNION.

6. COMMENT: BRAZILIAN EMBOFF (MOURAO) DID NOT KNOW EXACT NUMBER OF SOVIETS AT CAPIVARI, BUT SAID HE BELIEVED NOT MORE THAN TEN-TWELVE NORMALLY AT SITE AT ONE TIME. MOURAO HAD NOT RECEIVED COMPLETE TRANSLATION OF ARTICLE AND WAS NOT AWARE OF COMMENTS ABOUT BRAZILIAN WORKER "RECRUITMENT SYSTEM." WHEN EMBOFF DESCRIBED GENERAL CONTENT OF REMARKS MOURAO COMMENTED THAT SUCH REPORTING "NOT CONDUCIVE" TO EXPANDED COOPERATION WITH SOVIETS. EMBASSY BELIEVES INCLUSION OF CRITICISM OF PARTNER'S TREATMENT OF WORKERS IN ARTICLE ON JOINT ECONOMIC PROJECT SOMEWHAT UNUSUAL. ALTHOUGH TWO SIDES OF COIN ARE FRE

-
QUENTLY DISPLAYED IN SOVIET PRESS, NORMALLY CERTAIN "DIPLOMATIC" SEPARATION IS OBSERVED. IN THIS REGARD EMBASSY NOTES THAT NOVOSTI "ABRIDGED" TRANSLATION OF ARTICLE INTO ENGLISH (AND PRESUMABLY INTO ANY OTHER FOREIGN LANGUAGES SUCH AS SPANISH) COMPLETELY OMITTED SECTION ABOUT BRAZILIAN HIRING AND FIRING PRACTICES. PRESUMABLY BRAZILIAN GOVERNMENT IS ALERT TO POTENTIAL "SECONDARY ACTIVITIES" OF SOVIET "ENGINEERS" AND MAINTAINS CLOSE SCRUTINY OF THEM TO PRECLUDE EXCESSIVE DEVELOPMENT OF "CLASS TIES."

STOESSEL

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, CONSTRUCTION, HYDROELECTRIC POWER PLANTS, INTERGOVERNMENTAL COOPERATION, FOREIGN WORKERS
Control Number: n/a
Copy: SINGLE
Draft Date: 02 APR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976MOSCOW05046
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760125-0386
From: MOSCOW
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t197604104/aaaadlgr.tel
Line Count: 141
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 BRASILIA 2431, 76 MOSCOW 4631
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 04 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04 MAY 2004 by CollinP0>; APPROVED <02 SEP 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SOVIET-BRAZIL COOPERATION ON CAPIVARI HYDRO-ELECTRIC STATION
TAGS: ENRG, EGEN, PFOR, UR, BR
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006